

That when the amount awarded for indirect costs was based on a predetermined fixed-percentage of estimated direct costs, the amount allowed for indirect costs shall be computed on the basis of such predetermined fixed-percentage rates applied to the total, or a selected element thereof, of the reimbursable direct costs incurred.

(b) *Accounting for interest earned on grant funds.* Pursuant to section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), a State will not be held accountable for interest earned on grant funds, pending their disbursement for grant purposes. A State, as defined in section 102 of the Intergovernmental Cooperation Act, means any one of the several States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the government of the political subdivisions of the State. All grantees other than a State, as defined, must return all interest earned on grant funds to the Federal Government.

(c) *Grant closeout—(1) Date of final accounting.* A grantee shall render, with respect to each approved project, a full account, as provided herein, as of the date of the termination of grant support. The Secretary may require other special and periodic accounting.

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

- (i) Any amount not accounted for pursuant to paragraph (a) of this section;
- (ii) Any credits for earned interest pursuant to paragraph (b) of this section;
- (iii) Any other amounts due pursuant to subparts F, M, and O of 45 CFR part 74.

§ 51c.113 Applicability of 45 CFR part 74.

The provisions of 45 CFR part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in subpart A of that part 74. The relevant provisions of the following subparts of part 74 shall also

apply to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart

- A General.
- B Cash depositories.
- C Bonding and insurance.
- D Retention and custodial requirements for records.
- F Grant-related income.
- G Matching and cost sharing.
- K Grant payment requirements.
- L Budget revision procedures.
- M Grant closeout, suspension, and termination.
- O Property.
- Q Cost principles.

Subpart B—Grants for Planning and Developing Community Health Centers

§ 51c.201 Applicability.

The regulations of this subpart, in addition to the regulations of subpart A of this part, are applicable to grants awarded pursuant to section 330(c) of the Act for projects for planning and developing community health centers which will serve medically underserved populations.

§ 51c.202 Application.

To be approved by the Secretary under this subpart, an application for a grant must, in addition to meeting the requirements of § 51c.104 of subpart A, contain information sufficient to enable the Secretary to determine that the project for which the grant is sought will meet the requirements of § 51c.203.

§ 51c.203 Project elements.

A project for the planning and developing of a community health center supported under this subpart must:

- (a) Prepare an assessment of the need of the population proposed to be served by the community health center for the services set forth in § 51c.102(c)(1) of subpart A, with special attention to the need of the medically underserved population for such services. Such assessment of need shall, at a minimum, consider the factors listed in § 51c.102(e)(1)–(4).

- (b) Design a community health center program for such population, based

on such assessment, which indicates in detail how the proposed community health center will fulfill the needs identified in the assessment prepared pursuant to paragraph (a) of this section and how it will meet the requirements contained in subpart C of this part.

(c) Develop a plan for the implementation of the program designed pursuant to paragraph (b) of this section. Such implementation plan shall provide for the time-phased recruitment and training of the personnel essential for the operation of a community health center and the gradual assumption of operational status of the project so that the project will, in the judgment of the Secretary, meet the requirements contained in subpart C of this part as of the end of the project period.

(d) Implement the plan developed pursuant to paragraph (c) of this section in accordance with such paragraph.

(e) Make efforts to secure, within the proposed catchment area of such center to the extent possible, financial and professional assistance and support for the project.

(f) Initiate and encourage continuing community involvement in the development and operation of the project.

(g) Establish standards and qualifications for personnel (including the project director).

(h) Utilize, to the maximum extent feasible, other Federal, State, local, and private resources available for support of the project, prior to use of project funds under this subpart.

§ 51c.204 Grant evaluation and award.

(a) Within the limits of funds determined by the Secretary to be available for such purpose, the Secretary may award grants under this subpart to applicants therefor which will, in his judgment, best promote the purposes of section 330(c) of the Act and the applicable regulations of this part, taking into account:

(1) The degree to which the proposed project satisfactorily provides for the elements set forth in § 51c.203;

(2) The relative need of the population to be served for the services to be provided;

(3) The administrative and management capability of the applicant;

(4) The potential of the project for development of new and effective methods for health services delivery and management;

(5) The soundness of the fiscal plan for assuring effective utilization of grant funds and maximizing non-grant revenue;

(6) The extent to which community resources will be utilized in the project;

(7) The extent to which grants approved under this part will provide for an appropriate distribution of resources throughout the country, taking into consideration the following factors;

(i) The urban-rural area to be served;

(ii) The nature of the organization applying; and

(iii) The organizational structure for delivery of services;

(8) Whether the project's catchment area is exclusive of the area served by a community health center;

(9) The degree to which the applicant intends to integrate services supported by a grant under this subpart with health services provided under other Federally assisted health services or reimbursement programs or projects.

(b) The Secretary may:

(1) Make no more than two grants under this subpart for the same project.

(2) Make a grant under this subpart to an entity which has been awarded one or more grants under section 330(d)(1)(A) and/or section 330(d)(1)(B) of the Act only if the grant under this subpart is for a new project.

Subpart C—Grants for Operating Community Health Centers

§ 51c.301 Applicability.

The regulations of this subpart, in addition to the regulations of subpart A, are applicable to grants awarded pursuant to section 330(d)(1)(A) of the Act for the costs of operation of community health centers which serve medically underserved populations.

§ 51c.302 Application.

To be approved by the Secretary under this subpart, an application for a